



SANRAD Receives Additional Funding From Foundation Capital

\$10 Million Round Will Allow SANRAD to Accelerate the Growth of Its Rapidly Expanding Customer Base in the Enterprise IP Storage Networking Market

SAN MATEO, Calif. – June 27, 2006 – SANRAD Incorporated, a leader in the enterprise IP-SAN market, today announced it has closed a funding round of \$10 million from Foundation Capital and other investors. Additionally, Ashmeet Sidana, Venture Partner with Foundation Capital has joined SANRAD's Board of Directors.

The additional investment will be used to accelerate SANRAD's market share gains in the rapidly growing enterprise IP storage networking market through expanded sales, marketing and support. A portion of the funds will also further advanced product development.

SANRAD has already garnered significant success since its inception in 2000. Customers are reaping the benefits of its IP-network centric architecture, which allows them to connect and manage the storage they choose. Within the last two years, SANRAD has increased its customer base by tenfold to more than 500 customers worldwide across a variety of market sectors including financial, medical, communications, education, government, transportation and manufacturing.

"We see great potential for SANRAD to continue to define the next generation of open enterprise storage by allowing customers to manage their storage across IP networks, connecting virtually any server to any type of storage," said Ashmeet Sidana, Venture Partner with Foundation Capital. "The company's innovative V-Switch architecture is the core of a unique product line that has helped it achieve considerable customer traction, solid partnerships and significant company growth. We believe SANRAD is well-positioned to continue on its current path of expansion."

"The consistent support from top-tier-venture firms validates that SANRAD is on the road to success. Specifically, the commitment from Foundation Capital – a firm with extensive Silicon Valley and true entrepreneur experience – is very exciting for us," said Uli Gal-Oz, CEO of SANRAD. "This latest funding will help us meet real customer demand, deliver unique products and fuel our company growth worldwide."

SANRAD provides enterprise iSCSI platforms with a broad complement of storage services. Its unique solution offers open storage pooling, virtualization, local and long distance data replication and disaster recovery services at the network layer. This in turn provides customers with greater scalability, interoperability and vendor independence in their storage solutions. SANRAD's V-Switch is compatible with solutions from Brocade, Engenio, HP, Veritas, IBM, Microsoft and others.

This latest round of funding builds on previous investments from the RAD Group and Sequoia Capital.

About Foundation Capital

Founded in 1995, Foundation Capital is a venture capital firm committed to supporting entrepreneurs and their companies, targeting innovative opportunities in telecommunications and networking; Internet infrastructure; and enterprise software and on demand services. Foundation Capital funds total more than \$1.6 billion. For more information, visit www.foundationcapital.com or contact Tim Turpin (415) 392-8282, tim@outcastpr.com.

About SANRAD

SANRAD is the only IP-SAN provider that delivers intelligence at the network layer, in a unique open architecture. SANRAD solutions allow enterprises to connect and manage any storage to increase capacity utilization, drive down costs and address future business information needs. For more information, visit www.sanrad.com.

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